

TOP SECRET

2 November 1979

MEMORANDUM FOR THE RECORD

Staff Meeting Minutes of 2 November 1979

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The Director chaired the meeting. []

Lehman highlighted David Aaron's concern re a peace settlement violation by Egypt in the Sinai; he said our PDB officer provided a note on this to Aaron this morning and reported Aaron's intention that no cables on this be sent [] In response to a query from the Director, 25X1

Lehman said he is unsure of the genesis of this situation. Discussion followed on the Intelligence Community's responsibilities in this affair, Aaron's actions underway, and what our advice, if any, should be. The Director expressed his chagrin on how this situation is developing and asked to be advised after today's meeting on [] 25X1

[] He said he would be glad to get with Aaron after his meeting with Cutler later today. Mr. Carlucci was interrupted from the discussion by a phone call from Aaron who said he will have Ambassador Atherton pursue this matter informally with the Egyptians. [] 25X1

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Lehman called attention to an Army INSCOM cable to many intelligence field posts designed to urge U.S. policy levels to be prepared for North Korea's readiness capability to launch an attack on South Korea within 48 hours. [] 25X1

down. Lehman feels this is a nonflap item but that Army should be contacted and given our views. Clarke recommended we touch base first with General Tighe; the Director agreed and advised Clarke to consider raising the matter at the NFIB later today. [] 25X1

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Clarke noted an item in today's New York Times (attached) on Senator Nunn's views re SALT/U.S. Defense posture and related it to yesterday's briefing by Ray Huffstutler [] to Senator Harry Byrd's Committee on Soviet defense spending. Clarke said the briefing went well but the matter is likely, via the press, to prompt repeated briefings on this subject. The Director noted substantive complexities involved, e.g., the layman's ability to understand the conversion of defense rubles and dollars, inflation, etc. [] 25X1

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Clarke introduced a newly-designed format and cover color for the NFAC's Intelligence Memorandum (the first-) series. He said this series will be given wider distribution where there is wider interest vis-a-vis the previous typescript version of very limited distribution.

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Hitz briefly reviewed events on the Hill: yesterday's meeting with Snodgrass (HAC) on our program/budget priorities for this year; the aforementioned briefing to Harry Byrd's Committee on Soviet defense spending; and how Senator Church's reservations re SALT and Soviet troops in Cuba are being dealt with--a brief discussion followed on the latter. Hitz expressed his appreciation for the message passed to him yesterday by the DDO on new

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The Director raised a question on the matter of Ethics in Government and Financial Disclosure; said there is little discernable movement, but he would seek to clarify.

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May reported only nine supergrades have not yet converted to SIS. Mr. Carlucci said only one of the nine has definitely refused and that this individual is nearing retirement.

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May said we are not doing well with the Combined Federal Campaign; only 50 percent toward goal with one week left. He asked attendees to give this a boost at their individual staff meetings. May noted also some CFC forms are being returned with retaliatory notes re paid parking. This precipitated discussion on the broader problem of paid parking. Mr. Carlucci asked May to give special attention to the situation at NPIC--to provide personnel at NPIC with as much rationale as possible. May commented they are drafting a Director's Note.

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Dirks announced Director and Deputy Director of FBIS, respectively, will retire in January and that will be appointed Director vice A Deputy Director will be appointed later. He said represent over sixty years of service at FBIS.

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The Director summarized his meetings (accompanied by and Hitz) yesterday with the chairmen of two appropriations and two oversight committees to discuss

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The Director said only Senator Bayh (SSCI) expressed reservation, but acquiesced noting Bayh has requested additional information. The Director said he and would get with Dirks on the kind of information to be forwarded. The Director said he also spoke to Representative Boland, Chairman of HSPCI, re the A.D. Little contract and the fait accompli approach taken in this matter by HPSCI. He said some success was gained in that one intelligence retiree who would have served as a consultant will not participate.

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Stein reported [] has denied categorically any involvement
re Deep Throat. []

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The Director asked Clarke for information responding to the President's
request re OPEC oil pricing and its effects on LDCs; he noted it has been
two weeks since the President asked. Clarke explained he has forwarded a
paper to the Director. []

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The Director advised, as we develop Advance Work Plans, that special
attention be given to such things as whether or not a particular echelon
is truly warranted and that similar scrutiny be given to the need for
staff-type positions. []

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The Director commented briefly on a message from []
[] re early warning. []

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Attachment

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NEW YORK TIMES (2 Nov 79)

Nunn Again Demands Arms Rise

Special to The New York Times

WASHINGTON, Nov. 1 — Senator Sam Nunn, the Georgia Democrat, has repeated his threat to vote against the arms treaty with the Soviet Union unless President Carter makes a public commitment to press for increases in military spending of at least 5 percent a year.

He made the demand in a speech he has prepared for delivery tomorrow on the floor of the Senate. The text was made available today.

Primarily because of pressure from Senator Nunn, President Carter has promised to provide a preview of the next military budget and of a revised five-year weapons program before the Senate votes on the treaty with the Soviet Union.

Senator Nunn, in asking for annual military budget increases of 5 percent or more, seems to have raised the price of his support of the pact. In July he said a rise of 5 percent was desirable, but he indicated he might be satisfied with less.

He told the Senate earlier this fall that he did not feel he controlled the votes of others. But well-informed Senate sources think other moderate Southern Democrats may follow his lead and, with the outcome of the treaty debate apparently in doubt, Mr. Nunn's demands may present the President with a problem.

This seems especially true because of the breadth of the demands, including a "firm commitment to a process of getting more strength from the defense dollar by setting a limit on the proportion of manpower costs in the defense budget."

Senator Nunn has been critical of the all-volunteer system of meeting manpower requirements and of its rising costs. He advocates the resumption of selective service registration. While he has not yet urged a return to conscription, his aides said today that he regards it as one of several steps that require consideration.